

April 5, 2015

VIA ELECTRONIC MAIL

Dear Chairs O'Connor and Burgess,

The undersigned members of the Net Metering and Solar Task Force (NMTF) respectfully register our concern over the information request issued by Chair O'Connor to the utility representatives of the NMTF on April 2, 2015 calling for an estimation of the total cost of the solar program from 2014 through 2020, including an analysis of the "cost shift" associated with net metering borne by non-participating customers. While we understand and support the Chair's desire for better documentation of the direct economic impacts of the solar program, we believe the request is too narrowly focused to serve as a basis for action. Our concern with the information request is twofold.

First, as should be clear from the Task Force discussions to date, the issue of whether and the extent to which the costs of the solar program exceed the benefits, and who bears those costs and benefits, have been the most hotly contested and challenging issues confronting the representatives. However, there appears to be a fair degree of consensus (if not unanimity) around the view that any policy recommendation regarding a future incentive and net metering framework be grounded in a comprehensive analysis of solar costs and benefits. Our concern with the Chair's request is that it is focused on a review of ratepayer costs without seeking information on countervailing ratepayer benefits, let alone broader societal benefits associated with greater reliance on solar generation as part of the Commonwealth's resource mix. Moreover, it appears to presume an inappropriate cost shift between customers who are net metering and those who are not, without analyzing offsetting benefits to those not net metering and to the system as a whole. A narrow focus on the gross costs of Massachusetts' solar program presents only a part of the picture and will not contribute to a constructive dialogue around future program design.

Our second objection to the Chair's request is that it is directed to a subset of the NMTF members. While it could be argued that the utilities are uniquely positioned to provide information on the distributional effects of net metering, the same cannot be said with respect to the SREC program. In any event, given the utilities' articulated position on this issue, we believe it would be more appropriate for this analysis to be conducted by an independent third party - whether that be by DPU and DOER staff or outside consultants. This is not meant as a criticism of the utility representatives; we have made no secret of our own strong view that a full accounting of benefits may well reveal that it is the solar customer who is subsidizing other ratepayers. The point is simply that, given our respective positions and interests, a better course would be to assign this critical task to a neutral third party.

In sum, the undersigned members of the NMTF wish to underscore our support for a better understanding of solar benefits and costs as foundational to policy development in that arena. For that reason, we believe the policy framework offered to the legislature should recommend that a comprehensive solar benefit/cost study be conducted, perhaps under the auspices of the NMTF. Given

the narrowly focused nature of the Chair's request, however, we have real reservations about the direction of this analysis and its potential use in the report ultimately delivered to the legislature.

Respectfully submitted,

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